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Title: Fletcher seeks more tobacco money

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Lead:

Gov. Ernie Fletcher said Kentucky should get a bigger slice of a \$206 billion settlement that tobacco companies negotiated with 46 states nearly eight years ago to help defray the costs of smoking-related health issues.

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FRANKFORT - Gov. Ernie Fletcher said Kentucky should get a bigger slice of a \$206 billion settlement that tobacco companies negotiated with 46 states nearly eight years ago to help defray the costs of smoking-related health issues.

However, the idea of getting more money raises a number of legal questions.

Two months ago, House leaders asked Attorney General Greg Stumbo to look into the ways Kentucky could essentially break away from the current settlement agreement and renegotiate.

"There are obvious pitfalls and legal dangers in this minefield," Stumbo said.

Kentucky's share of the settlement money is about \$3.6 billion over the 25-year span of the agreement. That's roughly 1.76 percent of the pot, which is based partially on how many packs of cigarettes each state sells.

Kentucky holds a market share of roughly 3 percent of cigarettes sold in the United States.

Fletcher said last night that could mean as much as \$150 million extra each year.

Fletcher's communications director, Brett Hall, said the governor doesn't have a specific plan on how to renegotiate the settlement.

"What we want to do is open the door and get the discussion going," Hall said.

But many in Frankfort aren't certain how that could play out.

The House Appropriations and Revenue Committee will interview experts on the subject today.

Stumbo said he hopes to provide legislators with a list of potential problems and key questions within seven to 10 days.

One issue is whether the General Assembly locked itself into a binding deal with the tobacco companies in 1998.

"The legislature spent the money, so obviously ... there was some acquiescence," said Stumbo, the former House majority leader. "Whether it amounts to full ratification, that's something we're looking into."

Minnesota is mired in a court battle after its legislature passed a special 75-cents-a-pack tax on cigarettes to help pay for health costs related to smoking.

Tobacco companies argued that such a tax would take the place of the settlement payments. They sued, and last month a judge ruled that Minnesota overstepped its bounds.

Rep. Joe Barrows of Versailles, the House Democratic whip, said lawmakers would, of course, welcome "more revenues and more predictable revenues" from tobacco companies.

"But it may be more trouble than it's worth," he said. "Right now we have more questions than answers."

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